



**The Industrial Development Board
Of the Parish Of
St. Charles, Louisiana, Inc.**

FINANCIAL STATEMENTS

December 31, 2021 and 2020



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INDEPENDENT AUDITORS' REPORT

Board of Directors
The Industrial Development Board
of the Parish of St. Charles, Louisiana, Inc.
Hahnville, Louisiana

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of the Industrial Development Board of the Parish of St. Charles, Louisiana, Inc. (a nonprofit public corporation) (the Board), which comprise the statements of financial position as of December 31, 2021 and 2020, and the related statements of activities, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Board as of December 31, 2021 and 2020, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Board and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Board's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audits.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audits in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Board's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Board's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The Schedule of Compensation, Reimbursements, Benefits, and Other Payments to Agency Head on page 13 is presented for purposes of additional analysis and as required by Louisiana Revised Statute 24:513(A)(3) and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the

underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 14, 2022, on our consideration of the Board's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Board's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Board's internal control over financial reporting and compliance.

Carr, Riggs & Ingram, L.L.C.

Metairie, Louisiana

June 14, 2022

**The Industrial Development Board
of the Parish of St. Charles, Louisiana, Inc.
Statements of Financial Position**

<i>December 31,</i>	2021	2020
Assets		
Current assets		
Cash	\$ 383	\$ 526
Cash equivalent - LAMP	100,418	87,385
Accounts receivable	17,000	17,000
Total assets	\$ 117,801	\$ 104,911
Liabilities and Net Assets		
Liabilities		
Due to other governments	\$ 7,500	\$ 7,500
Total liabilities	7,500	7,500
Net assets		
Without donor restrictions	110,301	97,411
Total net assets	110,301	97,411
Total liabilities and net assets	\$ 117,801	\$ 104,911

The accompanying notes are an integral part of these financial statements.

**The Industrial Development Board
of the Parish of St. Charles, Louisiana, Inc.
Statements of Activities**

<i>For the years ended December 31,</i>	2021	2020
	<i>Without Donor Restrictions</i>	<i>Without Donor Restrictions</i>
Revenue and Other Support		
Interest income	\$ 44	\$ 547
Administrative rental fee	17,000	17,000
Total revenue and other support	17,044	17,547
Expenses		
Support	4,154	4,140
Total expenses	4,154	4,140
Change in Net Assets	12,890	13,407
Net assets at beginning of year	97,411	84,004
Net assets at end of year	\$ 110,301	\$ 97,411

The accompanying notes are an integral part of these financial statements.

**The Industrial Development Board
of the Parish of St. Charles, Louisiana, Inc.
Statements of Cash Flows**

<i>For the years ended December 31,</i>	2021	2020
Operating Activities		
Change in net assets	\$ 12,890	\$ 13,407
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities		
Changes in operating assets and liabilities		
Due to other governments	-	4,000
Net cash provided by (used in) operating activities	12,890	17,407
Net change in cash and cash equivalents	12,890	17,407
Cash and cash equivalents at beginning of year	87,911	70,504
Cash and cash equivalents at end of year	\$ 100,801	\$ 87,911
Reconciliation to the Statement of Financial Position		
Cash	\$ 383	\$ 526
Cash equivalent - LAMP	100,418	87,385
Total	\$ 100,801	\$ 87,911

The accompanying notes are an integral part of these financial statements.

The Industrial Development Board of the Parish of St. Charles, Louisiana, Inc. Notes to Financial Statements

Note 1: DESCRIPTION OF THE ORGANIZATION

The Industrial Development Board of the Parish of St. Charles, Louisiana, Inc. (a nonprofit public corporation) (the Board), is a non-profit public corporation created under the provisions of Title 51, Chapter 7 of the Louisiana Revised Statutes of 1950. The Board was organized for the purpose of promoting, stimulating, developing, and advancing the business prosperity and economic welfare of the Parish of St. Charles, the State of Louisiana, and their citizens. The Board's function is to encourage and assist in the organization of new businesses or industries and to rehabilitate and assist existing businesses and industries, thus providing maximum opportunities for employment to improve the standard of living to the citizens of St. Charles Parish and the State of Louisiana. The Board is to cooperate and act in conjunction with other organizations, public or private, in the promotion and development of industrial, commercial, agricultural, and recreational development in the Parish of St. Charles and the State of Louisiana.

The powers and management of the Board are vested in and exercised by a seven-member Board of Directors, which is appointed by the St. Charles Parish Council. The governing body of the Parish of St. Charles must give prior approval before the Board of Directors or the Board may bind itself regarding the financing of any capital project or the issuance of any bonds.

The Board, under the authority of its corporate charter and the laws of the State of Louisiana, has authority to issue industrial development revenue bonds. It derives its revenue from application fees charged to businesses who apply for the bonds. The application fee is non-refundable. In addition to the application fee, the private corporation pays an administrative rental payment to the Board for the administration of the agreement and related industrial revenue bonds, and supplemental rental payments as defined in the direct financing lease agreements.

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP). The Financial Accounting Standards Board (FASB) provides authoritative guidance regarding U.S. GAAP through the Accounting Standards Codification (ASC) and related Accounting Standards Updates (ASUs).

Cash Equivalents - LAMP

Under Louisiana State law, the Board may invest in United States bonds, treasury notes, certificates, or LAMP, a local government investment pool. The Board has cash equivalents as of December 31, 2021 and 2020 that are held in LAMP.

**The Industrial Development Board
of the Parish of St. Charles, Louisiana, Inc.
Notes to Financial Statements**

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Accounts Receivable

Accounts receivable are stated at unpaid balances. Management believes all balances are collectible thus no allowance for doubtful accounts is considered necessary.

Net Assets

The Board reports information regarding its financial position and activities according to two classes of net assets that are based upon the existence or absence of restrictions on use that are placed by its donors: net assets without donor restrictions and net assets with donor restrictions.

Net assets without donor restrictions are resources available to support operations and not subject to donor restrictions. The only limits on the use of net assets without donor restrictions are the broad limits resulting from the nature of the Board, the environment in which it operates, the purposes specified in its corporate documents and its application for tax-exempt status, and any limits resulting from contractual agreements with creditors and others that are entered into in the course of its operations. The governing board has not designated, from net assets without donor restrictions, any net assets for an operating reserve or capital assets reserve.

Net assets with donor restrictions are resources that are subject to donor-imposed restrictions. Some restrictions are temporary in nature, such as those that are restricted by a donor for use for a particular purpose or in a particular future period. Other restrictions may be perpetual in nature; such as those that are restricted by a donor that the resources be maintained in perpetuity. There were no net assets with donor restrictions at December 31, 2021 and 2020.

When a donor's restriction is satisfied, either by using the resources in the manner specified by the donor or by the passage of time, the expiration of the restriction is reported in the financial statements by reclassifying the net assets from net assets with donor restrictions to net assets without donor restrictions.

Revenue Recognition

Revenues are recognized when they are earned. The main source of revenue is from annual administrative fees which are fees collected on projects (with or without a bond issuance) that involve a PILOT (payment in lieu of taxes) agreement.

Functional Allocation of Expenses

Directly identifiable expenses are charged to programs and supporting services. The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of activities and Note 6.

**The Industrial Development Board
of the Parish of St. Charles, Louisiana, Inc.
Notes to Financial Statements**

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Income Taxes

The Board has been recognized as a non-profit public corporation created under the provisions of Title 51, Chapter 7 of the Louisiana Revised Statutes of 1950 and is exempt from federal income taxes on related income pursuant to Sec. 501(a) of the IRC. Management believes there are no uncertain tax positions included in the financial statements.

Subsequent Events

Management has evaluated subsequent events through the date that the financial statements were available to be issued, June 14, 2022. See Note 10 for relevant disclosure. No subsequent events occurring after this date have been evaluated for inclusion in these financial statements.

Future Accounting Pronouncements

In February 2016, the Financial Accounting Standards Board (FASB) issued ASU 2016-02, Leases (Topic 842). The guidance in this ASU and its amendments supersedes the leasing guidance in Topic 840, entitled Leases. Under the guidance, lessees are required to recognize lease assets and lease liabilities on the statement of financial position for all leases with terms longer than 12 months. Leases will be classified as either finance or operating, with classification affecting the pattern of expense recognition in the statement of activities. For nonpublic entities, the standard is now effective for fiscal years beginning after December 15, 2021, as a delay in adoption was recently approved. Early adoption is permitted. The Board is currently evaluating the impact of the guidance on its financial statements.

Note 3: LIQUIDITY AND AVAILABILITY OF FINANCIAL RESOURCES

The Board has \$117,801 of financial assets available within one year of the statement of financial position date as of December 31, 2021 consisting of cash of \$383, cash equivalents in LAMP of \$100,418, and accounts receivable of \$17,000. None of the financial assets are subject to donor or other contractual restrictions that make them unavailable for the general expenditure within one year of the statement of financial position date. The financial assets available within one year of the statement of financial position date are sufficient to meet general expenditures over the year.

The Board had \$104,911 of financial assets available within one year of the statement of financial position date as of December 31, 2020 consisting of cash of \$526, cash equivalents in LAMP of \$87,385, and accounts receivable of \$17,000. None of the financial assets were subject to donor or other contractual restrictions that make them unavailable for the general expenditure within one year of the statement of financial position date. The financial assets available within one year of the statement of financial position date were sufficient to meet general expenditures over the year.

**The Industrial Development Board
of the Parish of St. Charles, Louisiana, Inc.
Notes to Financial Statements**

Note 4: CASH EQUIVALENTS - LAMP

The Board holds cash equivalents in LAMP, a local government investment pool. This pool is administered by a non-profit corporation, Louisiana Asset Management Pool, Inc., which was organized under the laws of the State of Louisiana and is not required to be a registered investment company under the Investment Company Act of 1940; however, its policies are similar to those established by Rule 2a-7, which governs registered money market funds. Only local government entities having contracted to participate in LAMP have an interest in its pool of assets. The primary objective of LAMP is to provide a safe environment for the placement of public funds in short-term, high-quality investments and cash equivalent options.

The LAMP portfolio includes only securities and other obligations in which local governments in Louisiana are authorized to invest in accordance with LA-RS 33:2955.

LAMP is rated AAAM by Standard & Poor's. The dollar weighted average portfolio maturity of LAMP assets is restricted to not more than 60 days, and consists of no securities with a maturity in excess of 397 days. LAMP is designed to be highly liquid to give its participants immediate access to their account balances. LAMP's balances are stated at fair value based on quoted market values. The fair values of the assets are determined on a weekly basis to monitor any variances between amortized costs and fair values. LAMP, Inc. is subject to the regulatory oversight of the state treasurer and the board of directors. LAMP is not registered with the SEC as an investment company.

At December 31, 2021 and 2020, the Board has cash equivalents in LAMP totaling \$100,418 and \$87,385, respectively.

Note 5: DIRECT FINANCING LEASES (PILOT PROGRAM)

The Board enters into direct financing lease agreements with private corporations and issues industrial revenue bonds for the acquisition of facilities. The private corporations lease these facilities from the Board for an amount necessary to pay principal, interest, and premiums, if any, on the industrial revenue bonds. Since tax-exempt bonds provide the incentive of a below-market interest rate and the related facilities are exempt from ad valorem tax for the life of the direct financing lease agreement, the private corporations also make Payments in Lieu of Taxes (PILOT) that are collected by the Board and remitted to the collector of taxes to distribute to tax recipient bodies in the same proportion as ad valorem tax would be distributed for the tax year in question.

In addition, the private corporation pays an administrative rental payment to the Board for the administration of the agreement and related industrial revenue bonds, and supplemental rental payments as defined in the direct financing lease agreements.

**The Industrial Development Board
of the Parish of St. Charles, Louisiana, Inc.
Notes to Financial Statements**

Note 5: DIRECT FINANCING LEASES (PILOT PROGRAM) (Continued)

During the year ended December 31, 2015, the Board entered into a 22 year lease with a private corporation. As part of the agreement, the lessor (the Board) agrees to issue bonds from time to time for up to \$18 million in aggregate at the request of the lessee. As of December 31, 2021 and 2020, no bonds have been issued related to this lease. The Board collects PILOT payments and remits to the tax collector for distribution. For its service related to this lease, the Board annually collects \$17,000 of administrative rental payment recognized as revenue without restriction in the statements of activities.

For the years ended December 31, 2021 and 2020, the Board recognized \$17,000 and \$17,000 of administrative rental fee revenue, respectively.

Note 6: FUNCTIONAL CLASSIFICATION OF EXPENSES

Any costs related to program administration are functionally classified as supporting services expenses. Any costs related to activities that constitute direct conduct or direct supervision of program activities are program expenses. The Board did not have any program or fundraising expenses for 2021 or 2020.

The table below presents support expenses by nature and function for the year ended December 31, 2021:

Audit expense	\$ 4,000
Bank charges	154
<u>Total</u>	<u>\$ 4,154</u>

The table below presents support expenses by nature and function for the year ended December 31, 2020:

Audit expense	\$ 4,000
Bank charges	140
<u>Total</u>	<u>\$ 4,140</u>

Note 7: CONCENTRATIONS OF CREDIT RISK

The Federal Deposit Insurance Corporation (FDIC) provides insurance coverage under defined dollar limits. The FDIC insures the accounts up to \$250,000 per institution and is not obligated to pay uninsured deposits. There were no uninsured deposits at December 31, 2021 and 2020.

**The Industrial Development Board
of the Parish of St. Charles, Louisiana, Inc.
Notes to Financial Statements**

Note 8: ECONOMIC ENVIRONMENT

Income is dependent primarily upon the Board receiving a sufficient number of applications wherein the applicant/developer is seeking bond financing through the Board and, additionally in some instances, a PILOT. In the long-term, these applications and the subsequent successful bond issuance, generate closing costs income and potentially annual administrative fees if a PILOT is involved. All such projects occur in St. Charles Parish. A decline in local and general economic conditions could affect the generation of revenue.

Note 9: RELATED PARTIES

Through the year ended December 31, 2021, St. Charles Parish paid the annual audit expense on behalf of the Board, of which \$7,500 and \$7,500 was outstanding as of December 31, 2021 and 2020, respectively. This is included in the statements of financial position in due to other governments.

Note 10: SUBSEQUENT EVENTS

Management evaluated all events or transactions that occurred after December 31, 2021 through June 14, 2022, the date the Board's financial statements were available to be issued. The following item occurred:

On December 1, 2021, the Board entered into a lease agreement with International-Matex Tank Terminals LLC to issue up to \$500,000,000 Taxable Revenue Bonds for a project in St. Rose, St. Charles Parish, Louisiana. The lease agreement commences December 31, 2022 with an annual administrative fee rent payment equal to \$25,000 to the Industrial Development Board of St. Charles Parish each year until December 31, 2030.

**The Industrial Development Board
of the Parish of St. Charles, Louisiana, Inc.
Schedule of Compensation, Reimbursements, Benefits,
And Other Payments to Agency Head
December 31, 2021**

Mr. Timothy J. Vial, Board President, or any of the board members did not receive any compensation, reimbursements, benefits, or other payments for the year ended December 31, 2021.

INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Board of Directors
The Industrial Development Board of the
Parish of St. Charles, Louisiana, Inc.
Hahnville, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Industrial Development Board of the Parish of St. Charles, Louisiana, Inc., (a non-profit organization) (the Board), which comprise the statement of financial position as of December 31, 2021, and the related statements of activities, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated June 14, 2022.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Board's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Board's internal control. Accordingly, we do not express an opinion on the effectiveness of the Board's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Board's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Board's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Board's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Board's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Carr, Riggs & Ingram, L.L.C.

Metairie, Louisiana
June 14, 2022

**The Industrial Development Board
of the Parish of St. Charles, Louisiana, Inc.
Schedule of Findings and Responses
December 31, 2021**

A. SUMMARY OF AUDITORS' RESULTS

1. Type of independent auditors' report	Unmodified
2. Internal control over financial reporting	
a. Material weakness identified	No
b. Significant deficiencies not considered to be material weaknesses	None noted
c. Noncompliance material to the financial statements noted	No
3. Management letter	No

B. FINDINGS RELATED TO FINANCIAL STATEMENTS

None noted.

C. FINDINGS RELATED TO COMPLIANCE AND OTHER MATTERS

None noted.

D. FINDINGS RELATED TO MANAGEMENT LETTER

None issued.

**The Industrial Development Board
of the Parish of St. Charles, Louisiana, Inc.
Summary Schedule of Prior Audit Findings
December 31, 2021**

A. FINDINGS RELATED TO FINANCIAL STATEMENTS

None noted.

B. FINDINGS RELATED TO COMPLIANCE AND OTHER MATTERS

None noted.

C. MANAGEMENT LETTER

None issued.